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## Appendix G: Stipulated Judgment

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**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF RIVERSIDE  
APR 18 2013  
D. Pollard

Attorneys for Plaintiff  
EASTERN MUNICIPAL WATER DISTRICT

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
IN AND FOR THE COUNTY OF RIVERSIDE

EASTERN MUNICIPAL WATER DISTRICT,	)	CASE NO.:
A California Municipal Water District,	)	
	)	STIPULATED JUDGMENT
	)	
Plaintiff,	)	
vs.	)	
	)	
CITY OF HEMET;	)	
CITY OF SAN JACINTO;	)	
LAKE HEMET MUNICIPAL WATER	)	
DISTRICT;	)	
DOES 1 through 1,000, inclusive,	)	
	)	
Defendants.	)	
	)	

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**FINDINGS**

After consideration of the pleadings and the Stipulation for Entry of Judgment, the Court finds that:

1. **Complaint.** On May 16, 2012, Plaintiff Eastern Municipal Water District ("Eastern") filed a Complaint against Defendants Lake Hemet Municipal Water District ("Lake Hemet"), City of Hemet ("Hemet"), City of San Jacinto ("San Jacinto"), and DOES 1 through 1,000, inclusive. The Complaint requests a declaration of Plaintiff's and Defendants' individual and collective rights to Surface Water and Groundwater in the Canyon Subbasin, the San Jacinto Upper Pressure Subbasin downstream to Bridge Street, and the Hemet Basin ("Management Area") and the imposition of a Physical Solution to achieve the optimum, reasonable, beneficial use of the waters of the Management Area pursuant to section 2 of article X of the California Constitution. A map describing the boundaries of the Management Area is attached to this Judgment as Exhibit "A" and to the Complaint.

2. **Parties.**

A. **Eastern.** Eastern is a California municipal water district formed pursuant to the Municipal Water District Law, California Water Code Sections 71000-73001 (West 1966), with its principal place of business in Riverside County, California. Eastern diverts Surface Water from the San Jacinto River, and pumps Groundwater from the Management Area for use by its customers within its boundaries.

B. **Lake Hemet.** Lake Hemet is a California municipal water district formed pursuant to the Municipal Water District Law, California Water Code Sections 71000-73001 (West 1966), with its principal place of business in Riverside County, California. Lake Hemet diverts Surface Water from the Santa Jacinto River and its tributaries, and pumps Groundwater from the Management Area for use by its customers within its boundaries.

C. **Hemet.** Hemet is a California municipal corporation providing utility services pursuant to the California Constitution, article XI, section 9. Hemet pumps Groundwater from the Management Area for use by its customers within its boundaries.

1                   **D.     San Jacinto.** San Jacinto is a California municipal corporation providing  
2 utility services pursuant to the California Constitution, article XI, section 9. San Jacinto pumps  
3 Groundwater from the Management Area for use by its customers within its boundaries.

4                   **E.     Pumpers.** Does 1 through 1,000, inclusive, are Persons or entities who  
5 own farms or other property within the Management Area, and pump Groundwater from the  
6 Management Area.

7                   **3.     Answers and Stipulation for Judgment.** All defendants have filed Answers,  
8 and all Parties have filed a Stipulation for Entry of Judgment.

9                   **4.     Sole Producers.** Other than the Soboba Band of Luiseño Indians, and certain  
10 overlying users not Parties to this litigation, the Parties claim essentially all of the rights to  
11 produce Surface Water and Groundwater in the Management Area.

12                   **5.     Importance of Surface Water and Groundwater.** Surface water and  
13 Groundwater from the Management Area are important water supplies for agriculture, domestic  
14 and municipal use. The Parties have a mutual and collective interest in the coordinated  
15 management of such water resources to ensure that the common resource is used efficiently and  
16 reasonably, and that it is sustained and replenished.

17                   **6.     Overdraft.** It is estimated that the Overdraft of the Management Area is  
18 approximately 10,000 acre-feet per year. This estimate will be refined through further studies to  
19 be completed pursuant to the Water Management Plan, including data on the several subbasins  
20 within the Management Area. Studies confirm that in recent years the total Groundwater  
21 production from the Management Area, including pumping by those Persons not Parties to this  
22 litigation, has averaged approximately 54,800 acre-feet per year.

23                   **7.     Importance of Judgment.** The Parties have an interest in the Physical Solution  
24 imposed by this Judgment to promote the efficient and coordinated management of Surface  
25 Water and Groundwater, to avoid problems from Overdraft, to assist in protecting the rights of  
26 the Soboba Band of Luiseño Indians, to sustain and enhance water resources, and to resolve  
27 competing claims to Surface Water and Groundwater.

28                   **8.     Jurisdiction.** This Court has jurisdiction to enter this Judgment declaring and

1 adjudicating the rights of the Parties to the reasonable and beneficial use of Surface Water and  
2 Groundwater in the Management Area, and to impose a Physical Solution pursuant to law,  
3 including California Constitution, article X, section 2.

4  
5 **JUDGMENT**

6  
7 **IT IS ORDERED, ADJUDGED AND DECREED:**

8 **1. DEFINITIONS.**

9 **1.1 Adjusted Production Right** – the Base Production Right of each Public  
10 Agency, as adjusted pursuant to Sections 3.2 to 3.2.5.

11 **1.2 Administrative Assessment** – an acre-foot charge to be levied against  
12 each Public Agency for water pumped up to its Adjusted Production Right, including any unused  
13 amount of such Right that is pumped in a following year (Carry-Over Credit). Such assessments  
14 shall be used for Administrative Expenses, and for the purchase of Supplemental Water after  
15 Administrative Expenses have been paid. No Administrative Assessment shall be levied on a  
16 Party's pumping of its share of Imported, Supplemental, or Stored Water.

17 **1.3 Administrative Expenses** – Include, but are not limited to,  
18 Watermaster's expenses for office rental, personnel, supplies, office equipment, general  
19 overhead, preparing and collecting assessments, monitoring well pumping, measuring water  
20 levels, sampling and analyzing water quality, compiling and interpreting collected data,  
21 conducting special studies, litigation, and such other expenses as are reasonable and necessary  
22 for the Watermaster to carry out its duties under the Physical Solution and Water Management  
23 Plan.

24 **1.4 Advisor.** An independent engineering firm or qualified individual as  
25 provided in Section 9.6.3.

26 **1.5 Annual Basin Yield** – the quantity of Groundwater that Watermaster  
27 determines the Parties may Produce from the Management Area in a calendar year without a  
28 replenishment obligation under the Physical Solution.



1                   **1.6     Base Production Right** – a water right of a Public Agency or Class B  
2 Participant.

3                   **1.7     Carry-Over Credit** – a Public Agency’s or a Class B Participant’s credit  
4 against the Replenishment Assessment in a Fiscal Year, based on the Agency’s Adjusted or Base  
5 Production Right or share of Imported Water not produced in prior calendar years.

6                   **1.8     Class A Participant** – a Private Pumper who stipulates to this Judgment  
7 and participates in the Water Management Plan as defined in Sections 4.3 to 4.3.5.

8                   **1.9     Class B Participant** – a Private Pumper who stipulates to this Judgment  
9 and participates in the Water Management Plan as defined in Sections 4.4 to 4.4.6.

10                  **1.10    Fiscal Year** – the period from July 1 through June 30 of the following  
11 calendar year.

12                  **1.11    Fruitvale Documents** –

13                        **(a)     Fruitvale Judgment** – The Judgment and Decree entered in the  
14 Superior Court for the County of Riverside on June 4, 1954, in an action titled The City of San  
15 Jacinto, et al. v. Fruitvale Mutual Water Company, et al., Case No. 51-546;

16                        **(b)     Fruitvale Mutual Water Company Sale of Assets to Eastern** –  
17 That certain “Agreement for the Sale of Assets of the Fruitvale Mutual Water Company to  
18 Eastern Municipal Water District” dated September 10, 1971 (“Purchase Agreement”);

19                        **(c)     Fruitvale Mutual Water Company Agency Agreements** – The  
20 Agreement Between the City of San Jacinto and Eastern Municipal Water District dated  
21 November 2, 1971, the Agreement Between Lake Hemet Municipal Water District and Eastern  
22 Municipal Water District dated June 9, 1972, and the Agreement Between the City of Hemet and  
23 Eastern Municipal Water District dated June 13, 1972, all providing for recognition of ownership  
24 of stock in Fruitvale Mutual Water Company by the Cities and by Lake Hemet, and making  
25 provision for the continued sale of water produced through the Fruitvale facilities by Eastern to  
26 the Cities and to Lake Hemet.

27                  **1.12    Groundwater** – all water within and beneath the ground surface of the  
28 Management Area.

1                   **1.13 Groundwater Degradation** (also “groundwater quality degradation” and  
2 “water quality degradation,” “Degradation” and “Degraded Groundwater”) – Water  
3 contamination as defined in state and/or federal law, and other conditions of reduced water  
4 quality as determined by the Watermaster to be harmful or undesirable for the operation of the  
5 Management Area.

6                   **1.14 Imported Water** – An average of 7,500 acre feet annually of water sold  
7 by The Metropolitan Water District of Southern California to Eastern pursuant to Section 4.4 of  
8 the Soboba Band of Luiseño Indians “Settlement Agreement.”

9                   **1.15 In-Lieu Water** – Groundwater that is not pumped, but which would have  
10 otherwise been pumped by the holder of an Overlying or Appropriative Right within the  
11 Management Area, by virtue of the pumper’s agreement with an Agency or the Watermaster to  
12 receive and use Recycled Water or other nonpotable water in lieu of Groundwater.

13                   **1.16 Management Area** –the Canyon, the San Jacinto Upper Pressure, and the  
14 Hemet North and Hemet South Basins, as delineated on the map attached as Exhibit “A.”

15                   **1.17 Metropolitan** – The Metropolitan Water District of Southern California.

16                   **1.18 Natural Recharge** – Groundwater replenishment within the Management  
17 Area occurring from precipitation on the surface, percolation from surface flows of the San  
18 Jacinto River and its tributaries, spreading or injection of such surface flows, return flows from  
19 irrigation, and subsurface inflows.

20                   **1.19 New Pumper** – a Private Pumper who pumps for the first time after entry  
21 of Judgment herein.

22                   **1.20 Non-Participant** – a Private Pumper who elects not to participate in the  
23 Management Plan, or to be a Party to this Judgment.

24                   **1.21 Overdraft** – a condition whereby pumping in the Management Area  
25 exceeds the Safe Yield thereof.

26                   **1.22 Overlying Right** – the appurtenant right of an owner of land overlying the  
27 Management Area to pump water from such land for beneficial use thereon.  
28

1                   **1.23 Party or Parties** – Eastern, Lake Hemet, Hemet, San Jacinto and the other  
2 Persons listed in the attached Exhibit “B.”

3                   **1.24 Person** – any individual, partnership, association, corporation, trust,  
4 government agency or other organization.

5                   **1.25 Physical Solution** – the Court decreed method of managing the water  
6 supply of the Management Area to maximize the reasonable and beneficial use of the waters  
7 thereof pursuant to the California Constitution, article X, section 2, to eliminate Overdraft  
8 pursuant to the provisions of this Judgment, to protect the prior rights of the Soboba Tribe, and to  
9 provide for the substantial enjoyment of all water rights recognizing their priorities.

10                   **1.26 Private Pumper** – a Person who owns land with an Overlying Right or  
11 other right in the Management Area and pumps more than 25 acre-feet per year. Private Pumper  
12 includes New Pumps.

13                   **1.27 Public Agency or Agencies** – Eastern, Lake Hemet, Hemet and San  
14 Jacinto.

15                   **1.28 Recharge or Replenish** – to sink, spread or inject water directly or  
16 indirectly underground in the Management Area.

17                   **1.29 Recharge Right** – the rights of Eastern and Lake Hemet to pump and use  
18 water previously replenished to the Management Area as provided in Section 6.7.4.

19                   **1.30 Recycled Water** – treated wastewater which is processed and suitable for  
20 controlled use in the Management Area, including Recharge.

21                   **1.31 Replenishment Assessment** – a charge to be levied against each Public  
22 Agency for each acre foot, or portion thereof, of Groundwater pumped in excess of the sum of its  
23 respective Adjusted Production Right, its share of Imported Water, Stored Water, Supplemental  
24 Water, and applicable Carry-Over Credits and Recharge Rights; and against each Class B  
25 Participant for pumping in excess of its 1995-99 average production, i.e., its Base Production  
26 Right. The rate of such assessments shall be determined by the Watermaster and shall be used  
27 for Replenishment Expenses.  
28

1                   **1.32    Replenishment Expenses** – Watermaster expenses, including, but not  
2 limited to, the acquisition of Supplemental Water supplies, development of In-Lieu Water  
3 projects, acquisition or improvement of land, and for the construction, maintenance and  
4 operation of facilities necessary to replenish Groundwater in the Management Area, or otherwise  
5 to provide water to Parties within the Management Area.

6                   **1.33    Safe Yield** – the long term, average quantity of water supply in the  
7 Management Area that can be pumped without causing undesirable results, including the gradual  
8 reduction of natural Groundwater in storage over long-term hydrologic cycles. The initial Safe  
9 Yield of the Management Area is estimated to be approximately 45,000 acre feet per year.

10                   **1.34    Settlement Agreement** – that Agreement titled “The Soboba Band of  
11 Luiseño Indians Settlement Agreement” among the Soboba Tribe, the United States, as Trustee  
12 for the Tribe, Eastern Municipal Water District, Lake Hemet Municipal Water District, and The  
13 Metropolitan Water District of Southern California.

14                   **1.35    Soboba Tribe (sometimes the “Tribe”)** – the Soboba Band of Luiseño  
15 Indians.

16                   **1.36    Soboba Action** – the lawsuit entitled Soboba Band of Mission Indians,  
17 etc., v. Metropolitan, etc., et al, U.S. District Court, Central District of California, Case No.  
18 00-84208 GAF (MANx).

19                   **1.37    Storage Agreement** – an agreement between Watermaster and a Party to  
20 store Supplemental Water (other than a Party’s share of Imported Water) by sinking, spreading,  
21 injecting or in-lieu procedures in the Management Area, and to establish a manner of accounting  
22 for the credit therefore and subsequently to recover such water, without payment of  
23 Administrative or Replenishment Assessments.

24                   **1.38    Storage Right** – a Party's right to store and pump Supplemental Water  
25 (not required for a Party’s share of Imported Water) pursuant to a Storage Agreement.

26                   **1.39    Stored Water** – Supplemental Water (other than a Party’s share of  
27 Imported Water) stored by a Party pursuant to a Storage Agreement.  
28

1                   **1.40 Supplemental Water** – nontributary water imported into the Management  
2 Area, including imported water (i.e., other than or in addition to Imported Water as defined in  
3 Section 1.14), Recycled Water, In-Lieu Water, and other nonpotable water.

4                   **1.41 Surface Water** – all water tributary to the Management Area and flowing  
5 above the ground surface.

6                   **1.42 Transfer** – a temporary or permanent authorized conveyance, assignment,  
7 sale, contract or lease of part or all of a Public Agency’s Carry-Over Credit, Storage Right or  
8 Recharge Right to any other Party, or a temporary assignment, contract, lease or sale of a Public  
9 Agency’s share of Imported Water.

10                   **1.43 Tribal Water Rights** – the Soboba Tribe’s rights to water set forth in  
11 Section 4.1 of the Settlement Agreement and Section 5 of this Stipulated Judgment.

12                   **1.44 Tunnel** – the San Jacinto Tunnel in Riverside County, California,  
13 constructed by Metropolitan in the 1930s.

14                   **1.45 Watermaster** – the Board with the powers and duties defined in Section  
15 9.

16                   **1.46 Water Management Plan** (sometimes the “Plan”) – the Plan adopted by  
17 the Watermaster, as it may be modified from time to time, to implement the Physical Solution, to  
18 ensure an adequate and reliable source of future water supply for the Management Area, and to  
19 protect the prior rights of the Soboba Tribe.

20                   **2. EXHIBITS.**

21                   The following exhibits are attached to this Judgment and incorporated in it:

22                   “A.” Map of the Management Area and the Management Area Watershed.

23                   “B.” List of Parties to this Judgment.

24                   “C.” Description of each Public Agency’s and Class A and Class B Participant’s  
25 Base Production Right.

1                   **3.     PUBLIC AGENCIES' WATER RIGHTS.**

2                   **3.1     Base Production Right.** The Public Agencies are owners of rights to  
3 pump Groundwater from the Management Area as set forth in Exhibit "C." These rights are for  
4 a calendar year and were calculated as follows:

5                   **3.1.1   Eastern.** The Base Production Right of Eastern is based upon its  
6 respective average pumping for calendar years 1995-1999, less an adjustment of 1800 acre-feet  
7 representing a portion of a credit which it receives from Metropolitan for seepage into  
8 Metropolitan's San Jacinto Tunnel, for Eastern's use of Fruitvale water elsewhere, and for use of  
9 Fruitvale water by Lake Hemet, San Jacinto, and Hemet. The 1995-1999 period was chosen to  
10 reflect recent production prior to the commencement of negotiations leading to this Stipulated  
11 Judgment.

12                   **3.1.2   Lake Hemet.** The Base Production Right of Lake Hemet is based  
13 on its average production for calendar years 1995-1999.

14                   **3.1.3   Hemet.** The Base Production Right of Hemet is based on its  
15 average production for calendar years 1995-99, plus an adjustment of 900 acre feet per year  
16 representing a portion of the seepage credit referenced in Section 3.1.1.

17                   **3.1.4   San Jacinto.** The Base Production Right of San Jacinto is based  
18 upon its average Production for calendar years 1995-1999, plus 500 acre-feet per year, and plus  
19 an adjustment of 900 acre feet per year representing a portion of the seepage credit referenced in  
20 Section 3.1.1. The 500 acre-feet per year has been added because San Jacinto's recent pumping  
21 does not reflect its historic production, due to water purchases and other factors.

22                   **3.1.5   Adjustments.** The Base Production Rights of Hemet and San  
23 Jacinto each include 900 acre-feet per year that have been added to their respective amounts of  
24 pumping for calendar years 1995-1999. These amounts have been added to provide Hemet and  
25 San Jacinto a fair share of water from, and to resolve disputes regarding, Eastern's use of tunnel  
26 seepage, Eastern's use of Fruitvale waters, and Lake Hemet's surface stream diversions. These  
27 additional amounts of 900 acre-feet per year shall be treated as the first amounts pumped by  
28 Hemet and San Jacinto, shall not be subject to reduction by the Watermaster as provided in

1 Sections 3.2 to 3.2.2, and shall not be subject to any Administrative or Replenishment  
2 Assessments as provided in Sections 3.4 to 3.4.2, or to any other fee or charge imposed under the  
3 Management Plan.

4 **3.2 Adjusted Production Rights.** It is the goal of the Physical Solution to  
5 adjust the Base Production Rights of the Public Agencies over time on a pro-rata basis to a level  
6 consistent with the Watermaster's determination of Safe Yield. The reduction will be based on  
7 periodic demand, hydrology, Recharge, and the community's ability to pay for Supplemental  
8 Water, and protection of the Tribal Water Rights. In order to implement this reduction in a  
9 phased manner, each Public Agency's Base Production Right shall be subject to adjustment as  
10 follows:

11 3.2.1 Subject to Section 3.1.5, a 10% reduction from each Base  
12 Production Right in the first full year after entry of this Judgment.

13 3.2.2 Until Adjusted Production Rights are consistent with the Public  
14 Agencies' share of Safe Yield, Watermaster shall determine the required reductions in Adjusted  
15 Production Rights in each subsequent year to achieve Safe Yield within a reasonable period of  
16 time as determined by the Watermaster, considering the extent of the Overdraft, the economic  
17 impact on the Parties bound by this Judgment, and other relevant factors. The goal is to achieve  
18 Safe Yield over a six (6) year period assuming an annual Overdraft of 10,000 acre feet. In the  
19 event the extent of the Overdraft is greater or lesser than assumed, then the period of time  
20 reasonably required to reach Safe Yield may be extended or reduced accordingly. However, in  
21 no event shall any reduction be more than 10% of the Adjusted Production Rights of the prior  
22 year.

23 3.2.3 A Public Agency Party may pump in excess of its Adjusted  
24 Production Right, without any additional Administrative or Replenishment Assessment, by an  
25 amount equal to its share of the 7,500 acre feet per year of Imported Water that is not used by the  
26 Tribe provided such water has been previously delivered and is stored or will be delivered during  
27 the current water year. The amount of the Tribe's unused portion of the 7,500 acre feet shall be  
28 determined annually by the Watermaster. Shares of unused Imported Water shall be allotted to

1 the Public Agency Parties in proportion to Base Production Rights, and shall be acquired and  
2 paid for pursuant to contract with Eastern.

3 3.2.4 A Base Production Right of a Public Agency serving the land of a  
4 Class B Participant shall be increased in an amount equal to such Participant's Base Production  
5 Right, adjusted and reduced pursuant to Sections 3.2.1 and 3.2.2, when the Participant's land is  
6 converted from agricultural use to water service from the Public Agency, pursuant to Section  
7 4.4.3.

8 3.2.5 The Adjusted Production Rights of the Public Agencies may be  
9 increased by the Watermaster on a prorata basis to the extent that pumping by Class A  
10 participants, or pumping by Persons not Parties to this Judgment, may decrease, and the  
11 Watermaster finds that achieving the goal of maintaining the Management Area in a Safe Yield  
12 condition can still be met.

13 **3.3 Allocation of Unused Imported Water.** A Public Agency's share of  
14 Imported Water that is not used by the Soboba Tribe, as described in Section 3.2.3 shall be  
15 subject to the following additional rules:

16 3.3.1 To the extent that a Public Agency does not use all of its share of  
17 the Imported Water, the unused portion may be stored for its account for future use or transfer by  
18 the Public Agency.

19 3.3.2 A Public Agency may lease, sell or otherwise transfer any portion  
20 of the Public Agency's stored Imported Water or of the then current year's share of the Imported  
21 Water to another Public Agency or to the Watermaster.

22 **3.4 Public Agency Production Assessments.** Public Agency pumping shall  
23 be subject to the following assessments:

24 3.4.1 An Administrative Assessment as provided in Section 1.2. The  
25 Administrative Assessment will be \$50.00 per acre-foot of a Party's Adjusted Production Right  
26 pumped after entry of this Judgment. The Watermaster shall set the Administrative Assessment  
27 rate annually thereafter. The first 900 acre feet per year of Adjusted Production Right pumped  
28



1 by Hemet and San Jacinto and water pumped by a Public Agency pursuant to Section 3.4 above  
2 shall not be subject to such assessment.

3 3.4.2 A Replenishment Assessment will be levied on each Public  
4 Agency as provided in Section 1.31. However, a Public Agency may pump Groundwater in  
5 excess of the sum of its Adjusted Production Right, its share of Imported Water, Supplemental  
6 Water applicable Carry-Over Credits per Section 6.9.2, Recharge Rights, and production of  
7 Stored Water, in order to meet increasing demands, provided that such excess extractions shall  
8 be subject to Replenishment Assessments.

9 3.5 **Surface Rights.** Eastern holds License Number 016667 from the State  
10 Water Resources Control Board to divert, spread and recover surface flows of the San Jacinto  
11 River within the Management Area. Lake Hemet holds pre-1914 appropriative rights to divert  
12 and store surface flows in Lake Hemet, and to divert surface flows tributary to but outside of the  
13 Management Area from Strawberry Creek and from the North and South Forks of the San  
14 Jacinto River. All Parties acknowledge such Eastern and Lake Hemet rights, and the fact that  
15 they are not subject to any assessments under this Judgment; provided that any water pumped by  
16 Eastern under its License shall be included in its Adjusted Production Right.

17 3.6 **Fruitvale Judgment, Sale of Assets, and Agreements.** The Court  
18 hereby finds that Eastern purchased all of the water rights and assets of the Fruitvale Mutual  
19 Water Company (“Fruitvale”) pursuant to the Agreement described in Section 1.11(b) hereof,  
20 and is now the owner thereof. Eastern, as the successor in interest to Fruitvale, is also a  
21 defendant in the action described in Section 1.11(a) hereof. The Court finds that the only other  
22 remaining Party in such action is the plaintiff City of San Jacinto. The Court retained continuing  
23 jurisdiction in such action, and Eastern has made annual reports pursuant to the Fruitvale  
24 Judgment. Pursuant to stipulation between Eastern and San Jacinto, and in accord with the  
25 Physical Solution and terms of this Judgment, the Court hereby finds that the rights and  
26 obligations of the Fruitvale Judgment have been subsumed in, and superseded by, this Judgment  
27 and are no longer enforceable; that the limitations upon the place and amounts of water use in the  
28 Fruitvale Judgment, the Purchase Agreement (including the provisions regarding domestic water

1 rates within the Fruitvale Improvement District) and the Agency Agreements, all described in  
2 Sections 1.11(a), (b) and (c) are no longer applicable or enforceable; and that the continuing  
3 jurisdiction of the Court under the Fruitvale Judgment and the obligations of Eastern to report  
4 thereunder, are hereby terminated; provided, however, that any service area agreements or  
5 agreements related to mutual aid or system interties between any of the Public Agency Parties  
6 are not affected by this Judgment.

7           **3.7 Fruitvale Agency Rights.** The water rights of Hemet, San Jacinto and  
8 Lake Hemet under the several agreements with Eastern described in Section 1.11(c) hereof have  
9 been incorporated in their respective Base Production Rights under this Judgment.

10           **4. PRIVATE PUMPERS' WATER RIGHTS**

11           **4.1 Recognition of Rights.** The Private Pumpers are owners of Overlying or  
12 other water rights to pump from the Management Area. The Public Agencies recognize these  
13 rights, and do not intend to take or adversely impact these rights without an agreement with the  
14 owner of such rights. There is no intent to affect water use that is consistent with the historical  
15 use of the Private Pumpers.

16           **4.2 Non-Participation.** A Private Pumper can elect not to participate in the  
17 Water Management Plan and not to formally acknowledge its existence. Such Pumpers are  
18 referred to as Non-Participants. Non-Participants shall continue to exercise whatever water  
19 rights they may hold under California law unaffected by the Plan. However, the Parties do not  
20 waive their rights to challenge any new or expanded use of water or water rights. Non-  
21 Participants will not have the option of intervening as a Party under the Judgment at a later date.

22           **4.3 Class A Participation.** A Private Pumper can become a Party to the  
23 Judgment as a Class A Participant under the following terms:

24           4.3.1 A Class A Participant who or which approves this Physical  
25 Solution may vote for and/or be elected to serve as the Private Pumper representative on the  
26 Watermaster, but other than as set forth in Sections 4.3.4 and 4.3.5, shall not otherwise have any  
27 obligation for the implementation of the Physical Solution or the Water Management Plan.  
28

1                                   4.3.2 A Class A Participant may, without any assessment by the  
2 Watermaster, pump from the Participant's property within the Management Area the amount of  
3 water that can be put to reasonable and beneficial use in the Participant's historic place of use or  
4 as authorized under California law.

5                                   4.3.3 Unless the Watermaster determines otherwise, a Class A  
6 Participant shall have the right to convert to Class B Participation during a grace period that shall  
7 end 3 years after the entry of this Judgment and upon payment of the total assessments, without  
8 interest, that the Class A Participant would have paid had the Class A Participant elected to be a  
9 Class B Participant from the later of the initial production of Groundwater or the entry of the  
10 Judgment herein. Conversely, the converting Participant will be given Carry-Over Credits to  
11 which the Participant would have been entitled as a Class B Participant during said period  
12 pursuant to Section 6.9.2 below; said Carry-Over Credits may be used to offset any  
13 replenishment assessments, including any that would become due following the conversion.

14                                   4.3.4 A Class A Participant hereby authorizes the installation of water  
15 meters, and the collection and reading of Groundwater production, level and water quality data  
16 from the Class A Participant's well(s) by personnel authorized by the Watermaster. The  
17 metering, meter reading, and other related monitoring efforts shall be at no cost to the Class A  
18 Participant, and the Class A Participant shall receive copies of the reports and information  
19 obtained upon request.

20                                   4.3.5 A Class A Participant shall describe or otherwise identify the  
21 Participant's land and wells within the Management Area. The heirs, successors and assigns of  
22 such land and wells shall succeed to the benefits of the Participant's rights under the Judgment,  
23 and be bound by the obligations thereof, provided that such successor intervenes as a Party under  
24 the Judgment. Absent such intervention, the successor will be treated as a Non-Participant.

25                                   **4.4 Class B Participation.** A Private Pumper can become a Class B  
26 Participant on the following terms:

27                                   4.4.1 A Class B Participant's Base Production Right shall be equal to the  
28 Participant's average annual production during the calendar years 1995 through 1999, less any

1 amount of water that had been used on land that was developed for non-agricultural purposes  
2 after 1999, subject to adjustments by the Watermaster pursuant to Section 4.4.1.1. Any In-Lieu  
3 Water used during said period in place of Groundwater production shall be treated as part of the  
4 Groundwater production for calculating Base Production Rights. The Class B Participant shall  
5 pay Replenishment Assessments on amounts in excess of its Base Production Right, subject to  
6 any Carry-Over Credit adjustments pursuant to Section 6.9.2, but shall not be subject to  
7 Administrative Assessments, and until transfer to a Public Agency, such Base Production Right  
8 shall not be subject to reduction to Safe Yield. In the absence of production history for the entire  
9 period (1995-99), the Watermaster, using all available information including power consumption  
10 records and records of water use by similar farming operations in the area, will estimate the  
11 average annual production for the Participant.

12 4.4.1.1 In the event that the land of a Class B Participant or of a  
13 Class A Participant that requests conversion to Class B Participation did not go into full  
14 production during the period 1995-1999, or in the absence of a sufficient production history or  
15 record, the Watermaster will determine the Base Production Rights to be assigned to such  
16 Participant, using all information available to it.

17 4.4.1.2 Upon written request by a Class B Participant, the  
18 Watermaster shall have the authority to adjust the Class B Participant's Base Production Rights  
19 for such period, and on such terms and conditions, as the Watermaster deems appropriate under  
20 the circumstances. For example, but not by way of limitation, the Watermaster could increase  
21 the Participant's Base Production Rights on a temporary basis to permit increased Groundwater  
22 production during dry periods, or for frost protection, with or without a requirement that such  
23 increased production be offset or "repaid" by a decrease in Groundwater production during  
24 subsequent wet periods, or to account for added acreage or for a change in crops or use of the  
25 land or for a change in ownership. Where new trees were planted during the period 1995-1999,  
26 the Watermaster may calculate the Base Production Rights based on known or estimated water  
27 use at maturity of such trees.  
28

1                   4.4.2 The Class B Participant approves this Physical Solution and may  
2 vote for and/or be elected to serve as the Private Pumper's representative on the Watermaster.

3                   4.4.3 Upon conversion of a Class B Participant's land from agricultural  
4 to a use that requires water service from a Public Agency, the Public Agency shall credit, to the  
5 extent legally permissible, the Class B Participant's Base Production Right, adjusted pursuant to  
6 the percentage reductions in Sections 3.2.1 and 3.2.2, against any requirement then in effect for  
7 any water supply assessment requirements, against any fees associated with water supply that the  
8 Public Agency may then have in effect. The Public Agency serving the converted land shall  
9 receive a credit added to its Base Production Right as set forth in Section 3.2.4.

10                  4.4.4 Upon the sale of property to which or for which Base Production  
11 Rights have been assigned by reason of the judgment herein, the Class B Participant may transfer  
12 said rights to the purchaser on condition that the purchaser agrees in writing to be bound by thee  
13 terms of the judgment as a Class B Participant.

14                  4.4.5 The Class B Participant hereby authorizes the installation of meters  
15 and the collection and reading of Groundwater production, water level and water quality data  
16 from the Class B Participant's well(s) by personnel authorized by the Watermaster. The  
17 metering, meter reading and other related monitoring efforts shall be at no cost to the Class B  
18 Participant, and the Class B Participant shall receive copies of the reports and information  
19 obtained upon request.

20                  4.4.6 A Class B Participant shall describe or otherwise identify the  
21 Participant's land and wells within the Management Area. The heirs, successors and assigns of  
22 such land and wells shall succeed to the benefits of the Participant's rights under the Judgment,  
23 and be bound by the obligations thereof, provided that such successor intervenes as a Party under  
24 the Judgment. Absent such intervention, the successor will be treated as a Non-Participant. A  
25 Class B Participant may transfer Base Production Rights to new or replacement land on terms  
26 and conditions established by the Watermaster.

27                  **4.5     In-Lieu Water Use.** In the event any Private Pumper receives  
28 Supplemental Water from a Public Agency to serve an historic use in place of Groundwater, or

1 otherwise engages in an in-lieu program after entry of the Judgment herein, the Overlying Right  
2 of the Private Pumper shall not be diminished by the receipt and use of such Supplemental Water  
3 or by engaging in an in-lieu program. In the event a Class B Participant received In-Lieu Water  
4 for use in place of Groundwater during the period 1995-99, for purposes of determining Base  
5 Production Rights, said use shall be considered as Groundwater use.

6 **4.6 Future Production Participation.** Any New Pumper after the entry of  
7 this Judgment may intervene in this action and Judgment only as a Class A Participant and may  
8 not thereafter convert to Class B status.

9 **4.7 Replacement Wells.** Re-drilling of existing wells and the drilling of new  
10 wells to replace existing wells will not be considered new production as provided in Section 4.6.

## 11 **5. TRIBAL WATER RIGHTS**

12 The Tribal Water Rights have been determined as part of a settlement among the  
13 Soboba Tribe, the United States, Eastern, Lake Hemet and Metropolitan. The settlement is  
14 reflected in a Settlement Agreement, Congressional legislation and appropriation of funds, and a  
15 Judgment in the Soboba Action. Such settlement includes the following provisions, which shall  
16 be effective only upon fulfillment of all of the conditions precedent set forth in Article 3 of the  
17 Settlement Agreement, a copy of which is attached hereto.

18 **5.1 Senior Right.** The Soboba Tribe shall have a prior and paramount right,  
19 superior to all others, to pump 9000 acre-feet per year (3000 acre feet from the Canyon Subbasin  
20 and the remainder from a portion of the San Jacinto Upper Pressure Subbasin referred to as the  
21 Intake Subbasin), for use on the Reservation, as defined in Article 2.20 of the Settlement  
22 Agreement, and on lands now owned or hereafter acquired by the Soboba Tribe contiguous to the  
23 Reservation or within the Canyon and Intake Subbasins; provided, however, that such use shall  
24 be limited to amounts set forth in a development schedule from 2,900 acre feet per year to 4,100  
25 acre-feet per year for the first 50 years after the Effective Date as set forth in Exhibit "I" to the  
26 Settlement Agreement. The Tribe's right to pump applies to all Groundwater, whether  
27 replenished by Natural Recharge or by Supplemental Water. In addition, the Tribe shall have the  
28 right to purchase additional water from the Watermaster during the fifty years that its use is

1 limited according to Exhibit "T" to the Settlement Agreement at the rate then being charged to the  
2 Public Agencies under the Water Management Plan. In the event the Soboba Tribe is unable,  
3 except for mechanical failure of its wells, pumps or water facilities, to produce from its existing  
4 wells or equivalent replacements up to 3,000 AFA production from the Canyon Subbasin and the  
5 remainder of its Tribal Water Rights from the Intake Subbasin, Eastern and Lake Hemet shall  
6 deliver any shortage to the Soboba Tribe as provided in Section 4.1C of the Settlement  
7 Agreement. Pumping for such purpose shall not be subject to Administrative or Replenishment  
8 Assessments, and shall not be counted as part of Adjusted Production Rights.

9 **5.2 Metropolitan Water.** The Soboba settlement provides, among other  
10 matters, that Metropolitan will use its best efforts to deliver sufficient Imported Water to yield  
11 7,500 acre-feet per year, based upon 15 year averages, for Recharge in the Management Area at  
12 its untreated replenishment water rate, or any successor rate of equivalent price as provided in  
13 Section 4.4A of the Settlement Agreement.

14 **5.3 Settlement Payment.** Subject to the Effective Date of the Settlement  
15 Agreement and funding by the United States, Eastern pursuant to the terms set forth in the Water  
16 Management Plan, will pay the Soboba Tribe \$17 million dollars pursuant to Article 4.7A of the  
17 Settlement Agreement in consideration, in part, of the Tribe's agreement to limit its water use  
18 according to Exhibit "T" to the Settlement Agreement for the first 50 years after the Effective  
19 Date. Subject to contracts with Eastern, the Public Agencies shall have the right to pump and  
20 use all Imported Water not used by the Tribe, and the unused portion of the Tribal Water Rights  
21 shall be available for use by the Parties, pursuant to their rights herein.

22 **5.4 Capital Facilities.** Eastern on behalf of the Water Management Plan  
23 participants will receive \$10 million from the United States, to be applied to the costs of  
24 constructing and operating the Phase I capital facilities necessary to import and Recharge  
25 Supplemental Water as described in the Plan.

26 **5.5 Public Agencies' Use of Facilities.** Additional grant funds from the State  
27 of California or the United States may also be available for such capital facilities. The rights of  
28

1 the Public Agencies to the use of such facilities will be affirmed by contract as set forth in  
2 Sections 9.6.4(1) and 9.6.4(3).

3           **5.6    Acknowledgement of Soboba Tribe Settlement.** The Parties to this  
4 Judgment hereby recognize the Tribal Water Rights, as set forth above, and the applicable  
5 provisions of the Soboba Tribe Settlement Agreement, and acknowledge that protection of Tribal  
6 Water Rights is one of the goals of the Water Management Plan.

7           **6.       PHYSICAL SOLUTION.**

8           **6.1    Purpose and Objective.** Pursuant to California water law and the  
9 California Constitution, article X, section 2, the Court adopts this Physical Solution to maximize  
10 reasonable beneficial use of Surface Water, Groundwater and Supplemental Water for water  
11 users in or dependent upon the Management Area, to eliminate Overdraft, to protect the prior  
12 rights of the Soboba Tribe, and to provide the Parties with the substantial enjoyment of their  
13 respective rights, including, the priorities thereof.

14           **6.2    Need for Flexibility.** In order to adapt to potential changes in hydrology,  
15 land use, and social and economic conditions, the Physical Solution must provide some degree of  
16 flexibility and adaptability. Accordingly, the Court retains broad jurisdiction to supplement the  
17 discretion granted to the Watermaster herein.

18           **6.3    Rights to Groundwater.** Groundwater in the Management Area may  
19 occur from: Natural Recharge; spreading operations of natural flows; Recharge with  
20 Supplemental Water acquired with assessment funds; return flows, fallowing or in-lieu recharge  
21 programs financed with assessment funds. All such Groundwater shall be available to support  
22 the pumping of the Parties as allowed herein, and shall not be the property of any individual  
23 Party. Subject to the provisions of Section 6.7.2, this Section does not preclude any Party,  
24 pursuant to a Storage Agreement, from storing Supplemental Water at its own cost, retaining  
25 title thereto, and pumping such water without assessment.

26           **6.4    Resolution of Priorities.** By reason of the long and continuous Overdraft  
27 of the Management Area, the contribution of all Parties to the Overdraft, the economies that have  
28 developed on the basis of the Overdraft, the severe economic disruption that could occur under



1 strict priorities and the doctrines of prescription and laches, the complexity of determining  
2 appropriative priorities, and the need to make the maximum beneficial use of the water resources  
3 of the State, the Parties are estopped and barred from asserting specific priorities or preferences  
4 to the pumping of Groundwater in the Management Area, except as provided in this Judgment,  
5 and the Court finds that the provisions of this Judgment provide for the substantial enjoyment of  
6 the respective rights of the Parties.

7           **6.5     Water Management Plan.** The Watermaster will approve and implement  
8 a Water Management Plan to enforce and implement the Physical Solution, and may modify  
9 such Plan as conditions require, subject to the provisions of the Settlement Agreement. The Plan  
10 will also facilitate and accommodate the settlement of the water rights of the Soboba Tribe, and  
11 shall be subject to the approval of the Soboba Tribe and the United States as trustee for the Tribe.  
12 The Parties agree that the Plan shall incorporate and serve to implement the following goals:

13                   6.5.1 Groundwater levels within the Management Area have generally  
14 been declining for a number of years, and the Management Area is presently in a condition of  
15 Overdraft. The Watermaster shall calculate the Safe Yield of the Management Area on an  
16 annual basis, at least until the Overdraft is substantially eliminated. The Plan will, within a  
17 reasonable period, eliminate Groundwater Overdraft and provide for excess production by  
18 implementing a combination of available water resources management elements. These  
19 elements include: reduction in natural Groundwater production; enhanced Recharge with native  
20 and/or Supplemental Water; increased use of Recycled Water; in-lieu replenishment; acquisition  
21 and development of Supplemental Water; and water conservation programs.

22                   6.5.2 The Management Area is expected to experience residential,  
23 commercial, and industrial growth and development over the next decade. The estimated  
24 amount of Supplemental Water that will be necessary to provide for and adequately serve this  
25 new growth and development is 15,000 acre feet per year. The Water Management Plan shall  
26 accommodate the orderly expansion of existing water production and service systems, and  
27 provide a clear planning process for meeting these projected growth trends.

1 6.5.3 The Plan should be implemented in a manner to protect and/or  
2 enhance Management Area water quality.

3 6.5.3.1 The Watermaster is authorized to undertake direct  
4 operations in connection with reducing, controlling or dealing with Groundwater Degradation,  
5 including development or purchase of water supplies of any nature (local private rights, Imported  
6 Water, Recycled Water, salvaged water, and/or low quality water).

7 6.5.3.2 The Watermaster is also authorized to provide incentives to  
8 the Public Agencies or other Groundwater producers to encourage production of Degraded  
9 Groundwater as the Watermaster deems appropriate. For example, the Watermaster could  
10 provide that all or some portion of such production would not be charged against the producer's  
11 Base Production Rights and/or could adjust or not impose the Administrative and/or  
12 Replenishment Assessment otherwise due. The Watermaster may determine the appropriate  
13 incentives on a case-by-case basis or may establish a formula or schedule that would reflect or be  
14 based on benefits to the Management Area resulting from such production.

15 6.5.3.3 If implementation of certain elements of the Plan causes  
16 limited localized water quality Degradation and such Degradation impedes the then current  
17 beneficial uses of water by any Public Agency in the Management Area, the Watermaster shall  
18 implement appropriate mitigation measures to ensure the water supply to the affected Public  
19 Agency, and shall bear the associated cost.

20 6.5.3.4 The standards for local water quality Degradation shall be  
21 defined by the Watermaster, and such definitions may be amended from time to time.

22 6.5.4 The Water Management Plan should serve to support the pursuit of  
23 cost-effective water supply and water treatment by the Public Agencies, both individually and  
24 collectively.

25 6.5.5 The Water Management Plan should serve to protect Tribal Water  
26 Rights.

27 6.5.6 The Watermaster shall implement a monitoring program to ensure  
28 that Plan activities follow best management and engineering principles to protect Management

1 Area water resources, and to compile and analyze data on Groundwater production, water levels,  
2 water quality and Groundwater in storage.

3                   **6.6    Replenishment Program.** The Groundwater replenishment program shall  
4 be administered by the Watermaster. The program shall include: the acquisition of Supplemental  
5 Water; the collection and expenditure of Replenishment Assessments; the Recharge of the  
6 Management Area; and the construction and operation of all necessary facilities, including but  
7 not limited to, development of surface and subsurface percolation and injection facilities. In  
8 addition, a source of Recharge Water for agencies contributing to the Settlement Payment  
9 described in Section 5.3 will be Imported Water provided by Metropolitan under the Settlement  
10 Agreement, and not used by the Soboba Tribe.

11                   6.6.1 Priority for replenishment will be based on an equitable  
12 apportionment of available replenishment water among the subbasins after full consideration of:

13                               6.6.1.1 The Public Agency's participation in the payment in the  
14 Settlement Payment described in Section 5.3.

15                               6.6.1.2 Hydrologic conditions in the Management Area.

16                               6.6.1.3 The Management Area's Water demands.

17                               6.6.1.4 The availability of storage capacity to accommodate the  
18 Natural Recharge of surface flows.

19                               6.6.1.5 The availability of appropriate conveyance facilities.

20                               6.6.1.6 The availability of Supplemental Water,

21                               6.6.1.7 Protection of Tribal Water Rights.

22                   6.6.2 The Watermaster is encouraged to take advantage of surplus  
23 Imported Water from Metropolitan that occasionally may be available at low cost, and to use  
24 available assessment funds to bank such Recharge Water against future production in excess of  
25 Adjusted Production Rights.

26                   6.6.3 The Public Agencies shall independently or jointly operate their  
27 present facilities to maximize the existing spreading and Recharge operations of natural flow in  
28

1 the Management Area. Such Recharge Water shall be available to support the pumping of all  
2 users, and shall not be the property of the spreading Public Agency.

3 6.6.4 All water used to replenish any subbasin in the Management Area  
4 shall meet the Regional Water Quality Control Board, Santa Ana Region requirements, and the  
5 provisions of Article 4.2 of the Settlement Agreement, and may be used in any subbasin where  
6 such requirements are met.

7 **6.7 Storage Rights.** Unused storage capacity may exist in the Management  
8 Area, and this capacity will be managed by the Watermaster conjunctively with natural and  
9 available Supplemental Water supplies.

10 6.7.1 Subject to availability of assessment funds and unused storage  
11 capacity as determined by Watermaster, the Management Area may be Recharged when water is  
12 available, to be drawn upon by the Public Agencies in later years when such Supplemental Water  
13 may not be available.

14 6.7.2 Unused storage capacity, as determined by Watermaster, and  
15 pursuant to a Storage Agreement, may be used for “put and take” operations with Supplemental  
16 Water that is paid for by any Public Agency provided that:

17 6.7.2.1 Such operations do not interfere with the rights of any  
18 other pumper, or with the use of the storage capacity for Recharge and storage under the Water  
19 Management Plan.

20 6.7.2.2 The Watermaster shall have the first right to purchase any  
21 water available for Recharge for use under the Plan.

22 6.7.2.3 Later recovery of Stored Water shall exclude losses, and shall not be subject to  
23 either Administrative or Replenishment Assessments.

24 6.7.2.4 Such recovered water may be used anywhere within the  
25 service area of the Party.

26 6.7.2.5 Such Stored Water may be transferred while still in  
27 storage.  
28

1                   6.7.3 Any conjunctive use programs within the Management Area for  
2 the benefit of territory outside of the Management Area shall be subject to the Watermaster's  
3 approval and the governance provisions herein. Any storage, conjunctive use programs by third  
4 Parties, or in-lieu recharge programs financed with assessment funds, shall be subject to the  
5 Watermaster's approval and the governance provisions herein; provided that Metropolitan has  
6 the right under the Soboba Settlement Agreement to use up to 40,000 acre-feet of storage  
7 capacity in the San Jacinto Upper Pressure Subbasin for the pre-delivery of water required under  
8 Section 5.2.

9                   6.7.4 Eastern and Lake Hemet have previously provided water for  
10 replenishment of the Management Area. As of May 1, 2005 these amounts, less losses, were  
11 12,694 acre-feet for Eastern and 950 acre-feet for Lake Hemet. Such Parties shall have Recharge  
12 Rights to recover these amounts, less any future losses, without either Administrative or  
13 Replenishment Assessments, and may use such Rights to offset excess pumping in lieu of  
14 Replenishment Assessments. The water available under such Recharge Rights shall be pumped  
15 within 15 years of the entry of this Judgment, but not more than 2000 acre-feet in a single year.  
16 The Public Agencies shall notify the Watermaster when such Recharged Water is being pumped,  
17 and in what amounts, and the Watermaster shall keep an accounting of the amounts remaining.  
18 The use of such credits shall be interpreted and administered so as not to increase the  
19 replenishment obligations or assessments of those Parties without such past credits, or after such  
20 credits have been fully used.

21                   6.7.5 The accounting for recovery of Stored Water or Recharge Water  
22 from the Management Area shall not include any water that escapes therefrom and migrates  
23 downstream beyond the Management Area. Losses will be calculated based upon best  
24 engineering principles.

25                   **6.8 Recycled Water.** The use of Recycled Water produced by Eastern can be  
26 of substantial benefit in providing additional water in the Management Area. The Watermaster  
27 shall have a right of first refusal to purchase all Recycled Water produced from treatment  
28

1 facilities serving the Management Area that is not subject to then existing contracts. Such  
2 Recycled Water may be used for Recharge or direct use within the Management Area.

3                   6.8.1 Each Public Agency may implement its own Recycled Water  
4 program, for direct use, subject to the availability of Recycled Water. The Public Agency shall  
5 be responsible for financing, operating and maintaining the facilities necessary for that program.  
6 The Watermaster will support loan or grant applications, and the Public Agencies will work to  
7 integrate Recycled Water into the Water Management Plan, to the extent economically feasible  
8 while meeting regulatory standards.

9                   6.8.2 Currently only Eastern has Recycled Water available for Recharge.  
10 To the extent such Recycled Water is not acquired by the Watermaster for use under the Plan,  
11 any such water recharged in the Management Area shall remain the property of Eastern and may  
12 be pumped (less losses) without Replenishment Assessments.

13                   **6.9 Assessment Program.** The Assessment Program contemplated by the  
14 Water Management Plan and consisting of Administrative Assessments and Replenishment  
15 Assessments as described in Sections 1.2, 1.30, and 3.4, respectively, shall be administered by  
16 Eastern pursuant to a contract with the Watermaster pursuant to the provisions of Section  
17 9.6.4(5).

18                   6.9.1 All Assessments shall be used for Replenishment Expenses and  
19 Administrative Expenses.

20                   6.9.2 Subject to the limitations in this Judgment, each Public Agency  
21 that produces less than its Adjusted Production Right and share of Imported Water, and any  
22 Class B Participant producing less than its Base Production Right, shall have the following  
23 Carry-Over Credit:

24                   6.9.2.1 Carry-Over Credit shall be the difference in acre-feet  
25 between a Public Agency's Adjusted Production Right and share of Imported Water and  
26 Supplemental Water, and the Public Agency's actual production in a calendar year, or the Class  
27 B Participant's Base Production Right and the Class B Participant's actual production in a  
28 calendar year.

1 6.9.2.2 The Carry-Over Credit may be applied to reduce the  
2 amount of acre feet upon which a Public Agency or Class B Participant must pay a  
3 Replenishment Assessment either for the previous year or in any subsequent year. Carry-Over  
4 Credits are transferable by a Public Agency to the Watermaster or, subject to a right of first  
5 refusal by the Watermaster, to another Public Agency. Carry-Over Credits may be retained for  
6 more than one calendar year. The Public Agencies shall notify the Watermaster if a Carry-Over  
7 Credit is being retained. The Public Agencies shall notify the Watermaster if a Carry-Over  
8 Credit is being transferred and shall provide information requested by the Watermaster regarding  
9 the transfer.

10 6.9.2.3 The Watermaster shall keep an accounting of all  
11 Carry-Over Credits.

12 6.9.3 All Watermaster assessment invoices shall be payable to  
13 Watermaster within 60 days of notice. Any delinquent assessments shall bear interest at a rate to  
14 be set by the Watermaster. Watermaster is entitled to recover its reasonable expenses in  
15 collecting any assessment, including attorney's fees and costs.

16 6.9.4 The Watermaster is authorized to adjust assessments, where  
17 deemed appropriate, to provide incentives for production of Degraded Groundwater as described  
18 in Section 6.5.3.

19 **6.10 Export.** The Public Agencies may export water outside the Management  
20 Area, on a temporary basis, upon approval by the Watermaster. However, any water exported  
21 shall be replenished with an appropriate amount of similar or better quality water as determined  
22 by Watermaster. Water exports by the Public Agencies shall not interfere with the Water  
23 Management Plan or any other Public Agency's operations. The Water Management Plan will  
24 set forth the specific criteria for the export of water, including, but not limited to, conjunctive use  
25 programs.

26 **6.11 Capital Facilities.** Each Public Agency shall continue to own its existing  
27 capital facilities for water supply and management, subject to the provisions of Section 9.6.6.  
28 However, the Phase I capital facilities necessary to implement the Water Management Plan shall

1 be owned and operated by Eastern, pursuant to the Plan and in a fiduciary capacity for the benefit  
2 of all Parties under this Judgment, pursuant to Sections 5.4; 9.6.4(1); 9.6.4(3).

3 6.11.1 Financing of Water Management Plan facilities may be funded by  
4 assessments, regional capital fees, loans and grants, contributions for Storage Rights by  
5 Metropolitan or other third-parties, and municipal bonds. Responsibility for the costs of future  
6 capital facilities necessary to implement the Plan, beyond the Phase I facilities, shall be  
7 determined by the Watermaster and apportioned based on relative benefit to be derived by each  
8 Public Agency.

9 6.11.2 Any of the participating Public Agencies may propose projects to  
10 be included in the Water Management Plan to increase the Management Area water supply.  
11 Such proposals, after evaluation by the Watermaster, shall be included or rejected. If the  
12 Watermaster chooses to reject the proposal, the proposing Public Agency may implement the  
13 rejected project at its own cost so long as it does not significantly impact the implementation of  
14 the Management Plan and/or interfere with the ongoing production by the Public Agencies.

15 **7. INJUNCTION.**

16 Each Party and his, her or its officers, agents, employees, successors and assigns,  
17 is enjoined and restrained from:

18 7.1 Producing water from the Management Area without payment of required  
19 Administrative Assessments.

20 7.2 Producing water from the Management Area in excess of the Party's  
21 Adjusted Production Right and share of Imported Water, or the Base Production Right in the  
22 case of a Class B Participant, without payment of required Replenishment Assessments.

23 7.3 Transferring Production Rights except as authorized in this Judgment.

24 7.4 Recharging water in the Management Area except as authorized in this  
25 Judgment.

26 7.5 Storing or exporting water except as authorized in this Judgment.  
27  
28



1           **8.     CONTINUING JURISDICTION.**

2           **8.1     Full Jurisdiction.** Full jurisdiction, power and authority is reserved to the  
3 Court as to all matters contained in this Judgment, including expedited intervention by  
4 successors in interest to Private Pumpers, except:

5                       8.1.1 To redetermine Base Production Rights of the Public Agencies or  
6 Class B Participants.

7                       8.1.2 As otherwise limited by law.

8           **8.2     Motion to Interpret.** By motion to the Court, upon 30 days written  
9 notice and after hearing, any Party or Watermaster may request the Court to make such further or  
10 supplemental orders to interpret, enforce, carry-out or amend this Judgment. Any such motion  
11 shall be reviewed de novo by the Court. Any such motion shall be served on all Parties and  
12 Watermaster at the addresses on the Watermaster's notice list.

13           **9.     WATERMASTER.**

14           **9.1     Composition.** The Watermaster shall consist of a board composed of one  
15 elected official and one alternate selected by each of the Public Agencies and one Private  
16 Pumper representative and one alternate selected by the Class A and Class B Private Pumpers.

17           **9.2     Terms.** Each member of the Watermaster shall serve until replaced by the  
18 Public Agency or Private Pumpers that made the original appointment, provided, however, that  
19 the election or removal of a Private Pumper representative shall be decided by a majority vote of  
20 the Class A and Class B Participants attending a meeting called for that purpose by written notice  
21 sent to each Class A and Class B Participant or their successors, by U. S. mail or electronic mail  
22 at least ten (10) days before such meeting. Said notice shall include the date, time and location  
23 of the meeting.

24           **9.3     Removal and Replacement.** Any Watermaster member may be removed  
25 and replaced by the same procedure used in his or her appointment.

26           **9.4     Voting.** Each member of the Watermaster shall have one vote. Four  
27 affirmative votes shall be required in order to constitute Watermaster action on each of the  
28 following matters. (1) any change sought in the form of governance; (2) any change in voting

1 requirements; (3) retaining the services of legal counsel and Advisor; (4) establishing, levying,  
2 increasing or decreasing all assessment amounts; (5) adopting or amending an annual budget; (6)  
3 determining the extent of Overdraft and quantifying Safe Yield; (7) determining Adjusted  
4 Production Rights; (8) decisions regarding the financing of Supplemental Water or facilities,  
5 other than any financing provisions included in this Stipulated Judgment as provided in Sections  
6 5.3, 5.4, 5.5 hereof; (9) decisions regarding ownership of facilities, other than ownership of the  
7 Phase I facilities described in the Water Management Plan, which shall be owned by Eastern  
8 Municipal Water District, subject to a right of use by those Parties participating in the financing  
9 thereof; (10) policies for the management of the Management Area; (11) and any decision that  
10 involves a substantial commitment by the Watermaster, including any contracts for conserved  
11 water. All other actions by the Watermaster shall require three affirmative votes.

12           **9.5    Court Review.** Any action by the Watermaster, or any failure to act by  
13 virtue of insufficient votes, may be reviewed by the Court on motion by any Party, with notice to  
14 all other Parties. The Court's review shall be de novo, and the Court's decision shall constitute  
15 action by the Watermaster.

16           **9.6    Powers and Duties.** In order to implement the provisions of this  
17 Judgment, the Watermaster shall have the following duties and powers:

18                   **9.6.1   Water Management Plan.** Watermaster shall develop and  
19 implement a Water Management Plan, with such additions and modifications as may from time  
20 to time be appropriate, and shall administer the provisions of this Judgment. The Water  
21 Management Plan shall be subject to approval by the Court, by the Soboba Tribe, and by the  
22 United States.

23                   **9.6.2   Independent Counsel.** The Watermaster shall retain independent  
24 legal counsel to provide such legal services as the Watermaster may direct.

25                   **9.6.3   Advisor.** The Watermaster shall retain either an independent  
26 engineering firm or qualified individual experienced in hydrology to evaluate and analyze the  
27 data collected by Eastern, and any conclusions based thereon, and to make recommendations to  
28 the Watermaster, referred to herein as "Advisor." The Advisor shall also provide general

1 coordination among Eastern, the Technical Advisory Committee and the Watermaster with  
2 respect to their respective functions, and perform such executive functions as the Watermaster  
3 may direct. The Watermaster reserves the right to refer any matter it may choose to any Person  
4 it may select for assistance in carrying out its duties under this Judgment.

5 **9.6.4 Operations and Other Functions.**

6 **9.6.4.1 Operations – Phase I Facilities.** The Phase I Facilities  
7 (including capital facilities and spreading basins, as more particularly defined in the Water  
8 Management Plan) are either existing facilities of Eastern that will be expanded or improved as  
9 part of the Water Management Plan, or are new facilities that will be integrated into Eastern’s  
10 existing facilities and will be owned by Eastern. Pursuant to the terms and conditions of  
11 contracts to be entered into between Eastern and the Watermaster, and Eastern and the other  
12 Public Agencies, Eastern shall construct, install, and operate the Phase I Facilities consistent with  
13 the Water Management Plan.

14 **9.6.4.2 Operations – Other Facilities.** The Water Management  
15 Plan anticipates the need for the construction and installation of other facilities in order to  
16 accomplish the goals of the Judgment. Such facilities may be constructed, installed and operated  
17 under contract with the Watermaster, by a member of the Watermaster or, in circumstances  
18 approved by the Watermaster, by other responsible entities.

19 **9.6.4.3 Purchase of Water for Groundwater Recharge.** The  
20 Soboba settlement requires Metropolitan to use its best efforts to deliver an average of 7500  
21 acre-feet per year of Imported Water for Recharge of the Management Area. This supply is  
22 dedicated first to satisfy the rights of the Soboba Tribe as provided in the Settlement Agreement.  
23 Such portion of the supply that is not used by the Soboba Tribe will be available to those Parties  
24 who have participated in the cost thereof. Subject to the approval of the Watermaster, Eastern  
25 shall enter into a contract with Metropolitan for the purchase and delivery of such Imported  
26 Water supply. Eastern shall also purchase as a member agency of Metropolitan, or otherwise  
27 acquire, such additional supplies of water as may be directed by the Watermaster to implement  
28 the Water Management Plan, subject to availability and transmission capacity. All such water

1 delivered by Metropolitan, or otherwise acquired by Eastern, and all Eastern facilities used to  
2 deliver, recharge and recapture such water, shall be subject to rights of use by the Parties entitled  
3 thereto. Such rights of use shall be confirmed in detail in written contracts with Eastern.

4 Recycled water is also available for direct and indirect Groundwater Recharge from Eastern's  
5 wastewater treatment facilities serving the Management Area. The Watermaster shall have a  
6 right of first refusal to purchase all Recycled Water produced from such plants that is not subject  
7 to then existing contracts. The Watermaster is authorized to use its funds, or funds provided by  
8 the Parties, to purchase Imported Water, Supplemental Water, or other water.

9 **9.6.4.4 Data Collection.** The Watermaster shall provide for the  
10 collection and maintenance of all production, water level, water quality, and other technical data  
11 necessary under or required by the Water Management Plan ("Data"). Pursuant to the terms and  
12 conditions of a contract to be entered into between Eastern and the Watermaster, Eastern shall  
13 collect and maintain all such Data and transmit such Data to the Watermaster, its Advisor, and  
14 the Technical Advisory Committee as directed by the Watermaster. The foregoing clause does  
15 not restrict the ability of the Watermaster to enter into other agreements with other members of  
16 the Watermaster and/or private firms and individuals for the collection of Data.

17 **9.6.4.5 Accounting.**

18 **9.6.4.5.1 Financial Accounting.** The Watermaster shall  
19 provide for the levy, billing, and collection of all assessments provided for under the Judgment,  
20 for the payment of costs and expenses of the Watermaster, and for the performance of such  
21 accounting and related functions as may be required in connection with those functions  
22 ("Accounting Functions"). All funds collected shall be held in a segregated account. All  
23 expenses and disbursements shall be separately accounted for. Pursuant to the terms and  
24 conditions of a contract to be entered into between Eastern and the Watermaster, Eastern shall  
25 initially perform the Accounting Functions for Watermaster. The foregoing clause does not  
26 restrict the ability of the Watermaster to enter into other agreements with other members of the  
27 Watermaster and/or private firms and individuals to provide some or all of the Accounting  
28 Functions.

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**9.6.4.5.2 Water Use, Storage and Transfers.** The

Watermaster shall account for all production by Class A and Class B Participants and Public Agencies using information reported or obtained for that purpose. The Watermaster shall also account for Carry-Over Credits, including the transfer thereof where authorized, and for the use and/or storage and/or transfers of Imported Water by Public Agencies.

**9.6.5 Technical Advisory Committee.** There has been a Technical

Advisory Committee that has functioned throughout the development of the Water Management Principles and Plan, and this Stipulated Judgment. That Committee has been composed of such managerial and technical representatives as the individual Parties decide to appoint. Each Party has paid the costs of its own representatives, and shall continue to do so in the future. The Technical Advisory Committee shall continue to function, and to provide such technical assistance as the Watermaster may request. The Technical Advisory Committee shall make recommendations to the Watermaster's Advisor and to the Watermaster on all matters requiring four votes for Watermaster action, and shall receive from Eastern all data associated with such matters for its review and evaluation. The Technical Advisory Committee and its members shall also function as a way to keep the City Councils, Boards of Directors and participating Private Pumpers fully informed about the implementation of this Judgment.

**9.6.6 Reservation of Rights.** The Watermaster reserves the right to

assume, on its own, any functions set forth in Section 9.6.4, except as provided in Section 9.6.4(1), and to undertake all other acts required to implement the Plan and this Judgment, so long as it is legally capable of performing such functions. The Watermaster, if it should choose, may also act through or in conjunction with the other Public Agencies, or through a Joint Powers Agency composed of all the Public Agencies hereunder. Except as specifically provided in Section 9.6.4(1) with respect to Eastern's facilities used in Phase I, the Watermaster shall have no right to use or acquire the water facilities of any of the Parties, without their consent, provided that it is the intent of the Parties that their individual facilities will be available where appropriate to implement the Water Management Plan, upon terms equitable to all Parties, and consistent with their respective obligations to their own customers.

1                   **9.6.7 Rules and Regulations.** The Watermaster may make such rules  
2 and regulations as may be necessary for its own operations as well as for the operation of the  
3 Plan and this Judgment, subject to Court approval. Meetings of the Watermaster shall be subject  
4 to the Brown Act .

5                   **9.6.8 Reports to Court.** The Watermaster shall file annually with the  
6 Court, and serve on all Parties, a report regarding its activities during the preceding year,  
7 including an audited statement of all accounts and financial activities.

8                   **9.6.9 Notice to Parties.** Watermaster shall maintain a current list of the  
9 Parties and their addresses for notice purposes. Rules for service shall be governed by the  
10 California Code of Civil Procedure and the California Rules of Court. Each Party shall notify  
11 Watermaster in writing of the name and address for its receipt of notice and service under this  
12 Judgment. A Party may change this information by written notice to Watermaster. Notice shall  
13 be deemed sufficient if directed to the most recent address provided by the Watermaster.

14                   **9.7 Watermaster Records.** Watermaster's records shall be kept at the office  
15 of Eastern unless changed by the Watermaster and approved by the Court. These records shall  
16 be treated as public records under the Public Records Act. California Government Code sections  
17 6250-6277 (West 1995 and Supp. 2002).

18                   **10. MISCELLANEOUS.**

19                   **10.1 Intervention After Judgment.** A New Pumper can intervene in this  
20 action as a Class A Participant only, pursuant to Section 4.6. Any other Person who is an heir,  
21 successor or assign of an existing Party, may become a Party to this action and Judgment, subject  
22 to the conditions contained herein, by filing a petition in intervention. The petition may be filed  
23 and approved ex parte with notice to the Watermaster. Such intervener shall thereafter be a Party  
24 bound by this Judgment, and entitled to the rights and privileges accorded under this Judgment to  
25 the Party such Person succeeds in this action.

26                   **10.2 Loss of Rights.** No right adjudicated in this Judgment shall be lost by  
27 non-use, abandonment, forfeiture or otherwise, except upon a written election by the owner of  
28 the right filed with Watermaster, or by order of the Court upon noticed motion and after hearing.

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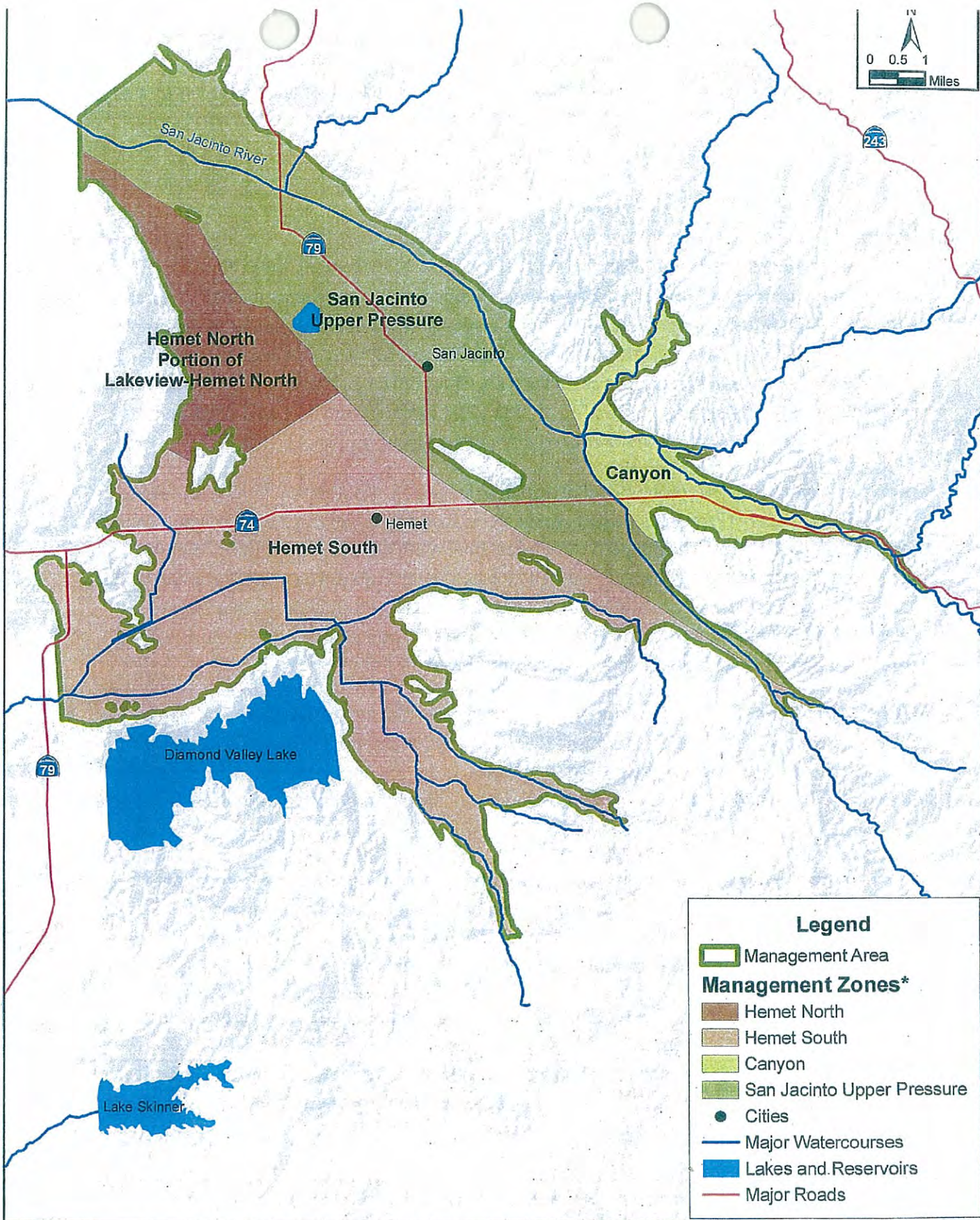
**10.3. Attorney's Fees and Costs.** No Party shall recover any attorney's fees or costs in this proceeding from any Party.

DATED: 4/18, 201<sup>13</sup>/<sub>2</sub>

M.P. PAULETTE D. BARKLEY  
Commissioner, Superior Court of  
~~California, Riverside County~~  
JUDGE OF THE SUPERIOR COURT

# EXHIBIT A





### Management Area and Management Zones

Hemet / San Jacinto Water Management Plan

\*Source: EMWD

July 2006

Figure 1.1